

Defendants

AFFIDAVIT

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3. Shortly after entering into the license agreement with Nintendo, I received a telephone call from Mr. Robert Hadl who is an attorney for Universal City Studios, Inc. ("Universal"). Mr. Hadl had heard about the licensing agreement between Atari and Nintendo and told me that the agreement caused Universal a problem.

4. Subsequently, Mr. Hadl sent me a written agreement which, in return for Universal's covenant not to sue, provided for a royalty payment to be paid by Atari to Universal on revenues derived by Atari on Donkey Kong products. I was advised by Mr. Hadl that the form of the agreement sent to me was substantially identical to the agreement entered into between Coleco and Universal with respect to Donkey Kong. A copy of the agreement executed by Atari is attached hereto as Exhibit A.

5. During the next few months, I was requested repeatedly by Universal to execute the agreement on behalf of Atari.

6. I was ultimately contacted by Warner, Atari's parent corporation, and told to execute the agreement because the issue was having an adverse effect on other important business relations between Warner and Universal. Warner and Universal were and are engaged in negotiating a number of business deals.

7. As a result, the agreement was executed in March of 1983. The agreement between Atari and Universal does not reflect Atari's assessment of the merits Universal's claim with respect to Donkey Kong.

8. At no time during my discussions with Universal did Universal request or receive any right to control or supervise Atari's marketing of Donkey Kong. Universal did not request that there be any public acknowledgment or designation of Universal's claim of right on Atari's Donkey Kong products or otherwise. There will be no reference to

Universal on any of the Donkey Kong products ultimately produced by Atari. Atari is changing its packaging of its planned Donkey Kong products to designate Nintendo more clearly as the owner and licensor of the Donkey Kong trademark.



Charles S. Paul

Sworn to and subscribed
to before me this day
of April 1983.

Notary Public

